

Senate Study Bill 1212

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON KREIMAN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to disclosure requirements applicable to new
2 merchandise repairs.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2270SC 82
5 rn/gg/14

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1 1 Section 1. Section 714.16, subsection 2, paragraph a,
1 2 unnumbered paragraph 4, Code 2007, is amended to read as
1 3 follows:
1 4 "Material fact" as used in this subsection does not include
1 5 repairs of damage to or adjustments on or replacements of
1 6 parts with new parts of otherwise new merchandise if the
1 7 repairs, adjustments or replacements are made to achieve
1 8 compliance with factory specifications and are made before
1 9 sale of the merchandise at retail and the actual cost of any
1 10 labor and parts charged to or performed by a retailer for any
1 11 such repairs, adjustments and parts does not exceed ~~three~~
1 12 eight hundred dollars or ten percent of the actual cost to a
1 13 retailer including freight of the merchandise, whichever is
1 14 less, providing that the seller posts in a conspicuous place
1 15 notice that repairs, adjustments or replacements will be
1 16 disclosed upon request. The exemption provided in this
1 17 paragraph does not apply to the concealment, suppression or
1 18 omission of a material fact if the purchaser requests
1 19 disclosure of any repair, adjustment or replacement.

1 20 EXPLANATION
1 21 This bill relates to dollar threshold requirements above
1 22 which a retailer shall disclose repairs, adjustments, or
1 23 replacements of parts regarding otherwise new merchandise made
1 24 prior to the sale of the merchandise at retail in order to
1 25 achieve compliance with factory specifications. Current law
1 26 specifies that disclosure of such repairs, adjustments, or
1 27 replacements shall not be considered a material fact requiring
1 28 disclosure by a retailer if the actual cost of the labor and
1 29 parts does not exceed \$300, or 10 percent of the actual cost
1 30 of the merchandise to the retailer including freight. The
1 31 bill changes the \$300 threshold to a higher threshold of \$800.
1 32 LSB 2270SC 82
1 33 rn:nh/gg/14